

THE
WESTERN
PERMANENT BUILDING SOCIETY,

INCORPORATED IN ACCORDANCE WITH

AN ACT OF THE PROVINCIAL LEGISLATURE, A.D. 1846;

FOR THE PURPOSE OF ASSISTING THE MEMBERS BY ADVANCING THE
AMOUNT OF THEIR SHARES ON GOOD MORTGAGE SECURITY, IN THE
ERECTION OF DWELLINGS OR FARM BUILDINGS; THE ACQUISITION
OF FREEHOLD OR LEASHOLD PROPERTY; THE REMOVAL
OF INCUMBRANCES OR LIABILITIES UPON PROPERTY
ALREADY HELD BY THEM;

THE IMPROVEMENT OF LAND;

AND ALSO, TO AFFORD SUCH AS DO NOT DESIRE THEIR SHARES IN ADVANCE

AN EFFICIENT AND PROFITABLE

MODE OF INVESTING SMALL SAVINGS.

HAMILTON:

PRINTED AT THE "HAMILTON SPECTATOR" OFFICE, JAMES STREET.

1851.

E 38994



PROSPECTUS
OF THE
Western Permanent Building Society.

INCORPORATED BY ACT OF PARLIAMENT.

SHARES £50 EACH.

ENTRANCE FEE 2s. 6d. PER SHARE. TRANSFER FEE 1s. 3d. PER SHARE,
BUT NOT EXCEEDING 10s. FOR ANY ONE TRANSFER.

MONTHLY SUBSCRIPTION 5s. PER SHARE.

Limited to 120 Months, or 10 Years.

PAYMENTS DUE ON THE THIRD MONDAY IN EACH MONTH.

DIRECTORS.

Mess. JAMES OSBORNE, <i>President</i> ,	JOHN F. MOORE, <i>Vice President</i> .
JAMES D. PRINGLE,	NEH. MERRITT,
ROBT. OSBORNE,	
GEO. W. BURTON,	
WM. CRAIGIE,	

HUGH C. BAKER, *Secretary and Treasurer.*

BURTON & SADLEIR, *Solicitors.*

THE GORE BANK, *Bankers.*

It may be remembered that the WESTERN BUILDING SOCIETY which was established in May, 1850, was intended to be the first of a series of societies to be commenced at intervals of 12 or 18 months, with a view to secure to the investor a frequent opportunity of subscribing without the necessity of paying heavy arrears and a corresponding premium; and to the borrower the longest time in which to make payments at, consequently, the least annual cost.

WESTERN PERMANENT BUILDING SOCIETY.

In preparing to establish the second of this proposed series, it was determined to take the opportunity of incorporating in its rules such improvements, as the experience of earlier societies in Great Britain had shown to be beneficial, and not unsuited to this Province.

To this may be attributed the name "Permanent," which, in the opinion of the Directors, implies a very important and beneficial change.

Power is granted to the Directors to open, from time to time, new classes of Members, each of which will continue for the full term determined at its commencement; as the Board can thus prolong the operations of the Society to an indefinite period, it may correctly be termed *permanent*, in contradistinction to Societies heretofore established, which expire upon the attainment of certain ends required by their rules, after durations varying from seven and a-half to nine years.

It must be evident that the accumulative character thus secured (all the classes forming but one Society) will prove very important as a means of economising the expenses of management—for a large Society is always managed with less proportionate expense and trouble than several small ones, with their respective Boards, Officers, sets of Books, &c.; and in proof of this, the Directors can point to the relative cost of the two small societies first established in Hamilton, and the Western, the salaries in which are respectively 7s., 4s. 3d., and 2s. 7d. per share, while, were the duties of the three united, the cost could not exceed 2s. a share. By appointing the Secretary of the Western to the corresponding office in this Society, the Directors have provided for the management of 1000 shares without any increase of emolument whatever, and, under any circumstances, the cost of management cannot reach 2s. per share.

Another important change is, in providing that the instalments shall be payable for a certain number of years, instead of an indefinite period as at present; the borrower will thus be able to calculate exactly the extent of his engagement, and regulate the bonus he is willing to offer accordingly; while, should he, at any future period, require to redeem his mortgage, the Directors will be able to arrive at the accurate sum which he should be called upon to pay. Under the system hitherto

adopted of working Building Societies this has been impossible, in consequence of that uncertainty in regard to duration, which has been felt especially during the earlier years of their existence.

The term of ten years has been selected for the first class, although power is granted to the Directors to name a shorter or a longer term for future classes, making a corresponding increase or decrease in the monthly payment. In that time the sum of £50 per share may be depended upon; and more, should the competition for money prove brisk and continued.

The purchase by the Society of its own shares, after the expiration of 12 months, at a portion of the realized profit, (a system first adopted by the Western) has been incorporated in the rules; with the further provision, that upon the opening of a new class the Members of any preceeding one may transfer their shares to that new class, at a valuation somewhat higher than the price payable in cash to withdrawing members; by this means, those shareholders who have nearly invested all their spare means will be enabled to keep them actively employed in the Society, and the cash purchases will be limited to those who require their funds for other purposes.

No annual expense fee is required; the entrance fee of 2s. 6d. upon every share subscribed will most probably cover all the expenses of management.

Discount upon all prepayments will be allowed at present at the rate of six per cent.

The transfer fee has been considerably reduced in this Society; being, when many shares are concerned, limited to 10s. on any one transfer.

Among other changes introduced in the rules is one which provides for the absolute retirement of one-third of the Board at each annual election, only six being eligible for re-election; and the scale of votes is also materially altered. Instead of a sliding scale which gives greater influence to a number of shareholders holding a few shares each, than to a few representing the same interest; the influence is apportioned exactly to the number of shares, by giving each shareholder a vote for every share that he possesses.



Any abuse of this power is provided against, by requiring the presence of all shareholders who desire to vote (thus denying the right of vote by proxy,) and further that they shall have held their shares 30 days before the day of election.

A reason for this change will appear if the altered character of a borrower is examined. In the earlier Societies he has been, in fact, more interested about the successful working of the Society than the investor; but in this Society he is in no way interested as whether the management is good or bad, the amount and number of his monthly payments remain unchanged. Assuming that the plan of this Society is carried out for a few years with even moderate success, it must be evident that the borrowers will, in number, far exceed the investors; and were the principle of a sliding scale, the management might easily fall into the hands of borrowers. It has been proved, would have no interest whatever at stock, if the amount of stock be the guide, no such contingency except from apathy on the part of investing members.

The Directors desire to suggest to the holders of stock in the three older Building Societies the propriety of gradually disposing of their present shares and investing the sum thus obtained in the first class of this Society.

Borrowers as a general rule prefer that Society which, from its recent establishment, requires the least present deduction for the cost of its shares, and offers the longest time for the re-payment of the sum borrowed; on this account the funds of the Hamilton and Gore District Building Societies have been for some time solely employed in the purchase of their own stock, and such will henceforward be the case in the Western. This preference by borrowers being admitted, the investors are called upon of necessity to place their money where it will command the most competition, and the power to withdraw from an old Society, at a portion of the realized profit, enables them to make this change at will.

The advantage of such a change depends upon the proportion of profit which the Society will allow. In each of the three Societies named the Directors are confident it will prove more beneficial to sell

out and subscribe anew, than to retain the present stock until the close of the Society in which it is held.

A share in the "Hamilton" will now command £48 15s., in the "Gore District" £18 5s., and in the "Western" £6 11s. 8d., which sums will severally pay up for one year in this Society 15 shares, 5 shares, and 2 shares (while the member can subscribe in addition as many shares as his present monthly payment, or any sum he can afford, will cover). At the end of the year a similar exchange can be beneficially made in the Society itself by transfer to a new class; and with care in the arrangement of his transfers a member can always provide that a certain portion of his investment will be available in cash at a month's notice.

The Directors believe that through the agency of this Society many tenants will be enabled to convert their leases into deeds at a comparatively small advance upon their yearly rent, and that the owners of real property requiring loans of money will find this Society able to advance it to them, as shareholders, at a cost considerably below that for money when borrowed from other sources; while owners of vacant town lots will with ease be enabled to erect cottages thereon at a cost not exceeding their present rentals.

The advantages such Societies offer to investors are so well known that it is quite unnecessary to enlarge upon them. They can be participated in as well by the wealthy capitalist as the citizen who may only be able to spare his 5s. or 10s. a month.

For every 5s. paid monthly, or £30 in all, the sum of £50 at least will be received in ten years; the member can at any time borrow the value of his share on furnishing mortgage security, and he can also after 12 months convert his past payments into cash at a hand. some profit.

The books for subscription in Class One will remain open at the office of the Secretary until Monday, the 19th January, 1852.

the proportion of
three Societies
beneficial to all

RULES

OF THE

Western Permanent Building Society.

I. The objects for which this Society is established are, to raise a fund to advance to its members the value of one or more shares to enable them to erect dwelling houses, to purchase or improve real property, or to remove incumbrances upon such property already in their possession; and to provide for those who do not require such advances a safe and remunerative method of investing small sums of money.

II. That all monies which shall from time to time be subscribed, paid, or given to, or for, the use or benefit of the Society, or which shall in any wise belong to the Society, shall be appropriated and applied as follows:

In the payment of the necessary current expences—

In advances to such members as require to borrow the amount of their respective shares upon their furnishing sufficient mortgage security—

In the purchase under the rules hereinafter provided of the shares of those members who desire to withdraw from the Society—

In the payment at the expiration of the term of each successive class, of the full value of such shares therein as may remain unadvanced—

And, whenever any surplus may remain otherwise unemployed, in such temporary investments as the Directors in their discretion may determine.

III. That the number of shares shall be unlimited, and of the value of £50 each, or such a sum as may be accumulated by the monthly payment of 5s. for the full term of 10 years.

That in order to afford a frequent opportunity for subscription without the payment of heavy arrears, and a premium corresponding to the past profits of the Society, the Directors shall be authorised to open, from time to time, a distinct class or list of members, each of which classes shall continue for the term of 10 years, that an instalment of 5s. shall be paid upon each share on the third Monday of every Month, commencing with the opening of the class in which it may be subscri-

bed, and continuing until the end of ten years, or 120 payments, unless the member may previously withdraw under the rules hereinafter provided.

IV. That any person desiring to subscribe at any other time than the opening of a class, shall pay as many instalments as may have been paid by the members of the class in which he may subscribe, and also such a premium as the Directors may require, not however exceeding the amount of profit realized on the shares of the said class.

V. That the Directors shall be empowered to allow such a rate of discount for the prepayment of instalments as may to them seem meet.

VI. That an entrance fee of 2s. 6d. shall be paid upon every share at the time of subscription.

VII. That the affairs of the Society shall be managed by, and all the powers not specially reserved are granted to, a Board of 9 Directors (of whom 3 shall be a quorum) and who shall choose from amongst themselves a President and Vice President. Every Shareholder shall be eligible for election as a Director.

VIII.—That vacancies occurring in the Board of Directors shall be immediately filled by the remaining Directors, at meetings specially called for that purpose.

IX. That at all meetings of the Society, or the Board, the President, or Vice President, or in their absence a Chairman temporarily appointed, shall have a casting vote, in addition to his deliberative vote.

X. That the election of Directors shall be by ballot, and at such election, members shall be entitled to a vote for each share held by them, not less than 30 days before the date of such election.

XI. That the Directors in office shall in all cases be continued until the election of their successors, unless in case of disqualification or resignation.

XII. That the Directors are authorized to make such arrangements as they may deem necessary, with any chartered Bank, for the conduct of the financial affairs of the Society.

XIII. That a general meeting of the members shall be held at the rooms of the Society, or such other place as the Board may appoint, on the second Monday of January, 1853, and yearly thereafter; for the purpose of electing Directors to serve for the ensuing year, and for all other general purposes relating to the management of the Society, and at each of the said meetings shall be submitted, as required by the Act of Incorporation, a full and clear statement of the affairs of the Society, and the receipts and expenditure of the previous twelve months.

XIV. That at each annual meeting, the Shareholders shall not elect more than six of the retiring Board of Directors, the Scrutineers being instructed when making up their return should the nine gentlemen having the greatest number of votes, include more than six of the re-

Society.

re, to raise a fund
shares to enable
real property, or
in their posses-
advances a safe
money.

be subscribed,
ty, or which shall
ed and applied as

w the amount of
sufficient mortgage

ed of the shares of
Society—

h successive class,
unadvanced—
e unemployed, in
their discretion may

and of the value
by the monthly

subscription with-
corresponding to
authorised to open,
rs, each of which
n instalment of 5s.
of every Month,
it may be subscri-

tiring Board, to strike out all but the six highest of the retiring Board, and to complete the number nine by returning as duly elected the Shareholder or Shareholders next in number who have not served the previous year.

XV. That extra general meeting of the members may be called by the Board of Directors, due notice being sent to each member at least ten days previously, through the Post-office or otherwise, as the Board may determine.

XVI. That all questions at the general meetings (except the election of Directors) shall be decided by a majority of the members present.

XVII. That the Treasurer shall deposit weekly with the Bank to the credit of the Society, all monies which he may receive on its account, and in all cases his receipt shall be a sufficient discharge.

XVIII. That no money shall be drawn from the Bank without the signature of the President (or, in case of his absence or illness, of the Vice President or two Directors), and the Treasurer.

XIX. That there shall be two or more Inspectors, whose duty it shall be to examine and determine the value of all property offered to the Society as security; and to report their opinion in writing: Provided that in special cases the Directors may dispense with such examination and report.

XX. That in default of the punctual payment of the monthly instalment every member in arrear shall pay towards the general funds of the Society, a fine of

3 pence per Share for the	1st month's default.
6 " " "	2nd "
9 " " "	3rd "
1s. 0 " " "	4th "
1s. 3 " " "	5th "
1s. 6 " " "	6th "

at which period, upon notice being sent by mail, addressed to the last place of residence recorded in the books of the Society, if the arrears remain unpaid, the Share or Shares so in default shall be forfeited, and that borrowers in default shall pay double the fines here provided.

XXI. That the residence of each member shall be recorded, and every member changing his address shall within one calendar month give notice in writing to the Secretary, of such change, and of his new address, or in default thereof shall be fined 2s. 6d.

XXII. That advances shall be made to members upon the following system:

1st.—That the Directors shall have power to establish, from time to time, a minimum bonus for the members of the several classes, regulating the same according to the duration of their payments, with a view to place all the members upon equal terms.



2nd.—That meetings shall be held at such times as the Directors may appoint, for the disposal of the funds the Society may have to advance, due notice being given,—the mode of disposal being determined by the Board.

3rd.—That the successful bidder at a loan meeting, or a proposed borrower whose offer is accepted, shall be liable to a fine of 10s. for each share proposed for, unless he produces, within ten days, security satisfactory to the Board, and promptly thereafter completes the necessary papers, or has their permission to extend the time.

4th.—That every member who may obtain advances upon his Stock, shall pay on the third Monday of each month, from the date of his mortgage, until the end of ten years from the opening of the class in which he becomes a borrower, 10s. for each share so advanced,—5s. being the usual monthly instalment, and 5s. being the legal interest for one month upon the amount of the share so advanced to him.

XXIII. That property situated anywhere within the limits of Western Canada may be accepted as security for loans or advances to members of the Society; and that the Directors be instructed, except in very special and particular cases not to receive in security land upon which good and sufficient buildings are not found or engaged to be erected.

XXIV. That after inspection of the property proposed, the purchaser shall, if the security be approved, execute a mortgage or transfer, to the satisfaction of the Directors, and at his own expense, securing the monies advanced, with interest, and also the due payment of the ordinary monthly subscriptions, and any fines and forfeitures that may be incurred; which mortgage shall, at the option of the Directors, contain a covenant by the mortgagor, to insure the buildings comprised therein from loss or damage by fire, for such amount as they shall think proper, and to assign over the policy or policies to the Society; and also a power to the Society, in case the mortgagor shall neglect to pay his subscriptions, interest, fines, and forfeitures, for the space of six months, successively, to take possession of the premises mortgaged, to collect the rents and profits thereof, and to sell such premises either together or in separate parcels, by public auction or private sale, on the most advantageous terms, without any further consent or concurrence of the mortgagor, and convey the same to the purchaser or purchasers thereof, absolutely freed and discharged of and from all equity or right of redemption of the mortgagor, his heirs and assigns, and to apply the proceeds (after deducting all expenses,) to the payment of whatever may be due to the Society.

XXV. That after such mortgage or transfer shall have been executed, together with such policies of Insurance and other securities as the Directors may require, the mortgagor shall at once receive the amount of share or shares borrowed, purchased, or advanced, deducting the bonus agreed to be paid thereon; or if one or more buildings



be in progress of erection, or if improvements are being made, such amount shall be advanced upon one or more reports from the Inspectors, and from time to time as the Directors shall determine, according to the progress of the work.

XXVI. That the Directors shall have power to effect or renew from time to time, already effected insurance from loss by fire, of all buildings, and to pay the ground rents of all premises mortgaged to the Society, which payments may be made out of the funds of the Society, as such insurances and rents become due, and shall be charged to the mortgagor, and repaid by him when the following monthly subscriptions fall due; in default of which repayment, a forfeiture shall accrue to the Society of 15 per cent., upon the amount so paid.

XXVII. That the Directors shall be required, at least every two months, to cause a careful and exact valuation to be made of the assets and liabilities of the Society, the income arising from advances being calculated at 6 per cent. interest; and they shall fairly apportion the profits which may thus appear to be realized amongst the members of the several classes in accordance with the number of monthly payments received from each, such profit however only becoming vested at the expiration of each class, and that such valuation shall be entered in the minute book of the Society.

XXVIII. That any member desirous of withdrawing from the Society, may on giving one calendar month's notice in writing to the Secretary be allowed to do so, and may receive back the net amount of his monthly instalments already paid, deducting any fines or forfeitures that may be due, provided that if 12 instalments have been received, the Directors are hereby empowered to pay to any such withdrawing member a proportion not exceeding one-third of the profit realized on his stock, and to increase such proportion in an equitable ratio, according to the length of membership until the end of the class, when the full amount of profit will be payable.

The Directors being authorised to determine the right of priority between members desiring to withdraw.

XXIX. That on the opening of a new class, the members of former classes shall have the option of selling their existing shares to the Society, and subscribing new shares to the full amount of money thus due to them, and that under these circumstances, the Directors may allow them a proportion not exceeding one-half of the profits realized in respect to shares of one year's standing, and a gradually increasing proportion according to any greater duration.

XXX. That any Shareholder may transfer his or her share or shares, by causing an entry of such transfer to be made in the books of the Society, in such manner as the Directors may appoint, and upon payment of the sum of 1s. 3d. for each share so transferred, not exceeding 10s. in any one transfer; and thereafter the transferee (after signing the

being made, such
s from the Inspe-
termine, according

fect or renew from
fire, of all build-
mortgaged to the
nds of the Society,
be charged to the
monthly subscrip-
eiture shall accrue
aid.

at least every two
made of the assets
advances being cal-
proportion the profits
e members of the
monthly payments
ning vested at the
be entered in the

drawing from the
in writing to the
k the net amount
ny fines or forfei-
ments have been
y to any such with-
d of the profit reali-
an equitable ratio,
of the class, when

the right of priority

members of former
ing shares to the
unt of money thus
ne Directors may
the profits realized
adually increasing

er share or shares,
e books of the So-
and upon payment
not exceeding 10s.
(after signing the

Rules, &c.) shall be entitled to all the privileges of the original Shareholder.

XXXI. That in case of the death of any member, the legatee or legal representative of such deceased member, shall, before becoming entitled to the privileges of an original Shareholder, procure his place of abode and the particulars of his title to be registered in the books of the Society, and shall at the same time exhibit the Will or Probate thereof, or grant of letters of administration (as the case may be), for the inspection and satisfaction of the Directors, and pay for such registry the sum of 5s.

XXXII. That the Directors elected at the formation of the Society, as well as those subsequently to be elected, shall be indemnified out of the funds of the Society from all expenses in reference to the formation, conduct, and management of the Society.

XXXIII. That the Directors shall have power to release any existing mortgage, upon receiving in lieu thereof another sufficient security, or a sum of money equivalent to the then value at legal interest of the future payments of the mortgagor, all expenses to be paid by the mortgagor.

XXXIV. That no paid officer shall be permitted to traffic in the shares of the Society, otherwise than in the legitimate subscription, or purchase of the shares for the purpose of investment and of future sale to the Society.

XXXV. That provided the Directors shall at any future period determine during two successive years, to discontinue the opening of new classes, and thus necessarily to cause the Society to terminate at the end of the term of the longest class. They shall be empowered to make such reasonable increase as the circumstances of the Society may seem from time to time to require, in the proportion of profit returnable to retiring members, to the end that the number of proprietary or unpaid shares may be reduced as rapidly as the income will permit, and at an equitably increasing profit to the members who remain the longest.

XXXVI. WHEREAS circumstances may hereafter render it expedient to change the duration of ten years provided by these rules for every class of members.

That the Directors shall be authorised, when opening any new class or classes, to select such a duration as they may think proper, and to determine the relative monthly payment required to attain the value of the share according to such duration, and the monthly amount payable by borrowers, with full power to alter or modify the particular portions of these rules which such a change in the length of the term may require.